

FISCAL NOTE

HB 1577 - SB 2009

March 22, 2007

SUMMARY OF BILL: Requires the Bureau of TennCare to reimburse providers of emergency and non-emergency air and ground transportation services for enrollees at the same rate such services would be reimbursed by Medicare.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$7,188,400

Other Fiscal Impact – Increase Federal Expenditures – \$12,611,600

Assumptions:

- The managed care organizations (MCOs) that are contracted with the TennCare program will no longer be able to negotiate the rates for emergency services with individual providers in a competitive market place.
- The MCOs will be forced to pay Medicare rates which will increase expenditures by one-third or 33% of what is currently being paid.
- TennCare transportation expenses are approximately \$60,000,000 annually. A 33% increase will increase expenditures by an amount that \$19,800,000.
- Of such amount, \$7,188,390 will be state funds at a 36.305% match rate and \$12,611,610 will be federal funds at a 63.695% match rate.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director